

Introduced by Senator Steinberg

December 6, 2010

An act relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as introduced, Steinberg. Medi-Cal: hospitals: quality assurance fee.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law, subject to federal approval, imposes a quality assurance fee, as specified, on certain general acute care hospitals through and including December 31, 2010. Existing law creates the Hospital Quality Assurance Revenue Fund in the State Treasury and requires that the money collected from the quality assurance fee be deposited into the fund.

Existing law, subject to federal approval, requires the department to make supplemental payments for certain services, as specified, to private hospitals, nondesignated public hospitals, and designated public hospitals, as defined, for subject fiscal years, as defined. Existing law provides that the moneys in the Hospital Quality Assurance Revenue Fund shall, upon appropriation by the Legislature, be available only for certain purposes, including providing the above-described supplemental payments to hospitals.

This bill would provide that it is the intent of the Legislature to enact legislation that would impose a quality assurance fee to be paid by

hospitals, which would be used to increase federal financial participation in order to make supplemental Medi-Cal payments to hospitals through June 30, 2011. This bill would provide that it is the intent of the Legislature that the quality assurance fee be implemented only if specified conditions are met.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares both of the
2 following:

3 (a) The Legislature continues to recognize the essential role that
4 hospitals play in serving the state's Medi-Cal beneficiaries. To
5 that end, it has been, and remains, the intent of the Legislature to
6 preserve funding for hospitals and to obtain all available federal
7 funds to make supplemental Medi-Cal payments to hospitals.

8 (b) It is the intent of the Legislature that funding provided to
9 hospitals through a hospital quality assurance fee be implemented
10 with the goal of increasing access to care and stabilizing hospital
11 rates through supplemental Medi-Cal payments to hospitals.

12 SEC. 2. (a) It is the intent of the Legislature to enact legislation
13 that would impose a quality assurance fee to be paid by hospitals,
14 which would be used to increase federal financial participation in
15 order to make supplemental Medi-Cal payments to hospitals
16 through June 30, 2011.

17 (b) It is the intent of the Legislature to enact legislation that
18 would require the State Department of Health Care Services to
19 obtain the necessary federal approvals to implement the quality
20 assurance fee described in subdivision (a) in order to make
21 supplemental Medi-Cal payments to hospitals for the period
22 January 1, 2011, through June 30, 2011.

23 (c) It is the intent of the Legislature to enact legislation that
24 would require the quality assurance fee be implemented only if all
25 of the following conditions are met:

26 (1) The quality assurance fee is established in consultation with
27 the hospital community.

1 (2) The quality assurance fee, including any interest earned after
2 collection by the department, is deposited in a segregated fund
3 apart from the General Fund.

4 (3) No hospital shall be required to pay the quality assurance
5 fee to the department unless and until the state receives and
6 maintains federal approval of the quality assurance fee and related
7 supplemental payments to hospitals.

8 (4) The full amount of the quality assurance fee assessed and
9 collected remains available only for the purposes specified by the
10 Legislature.

11 SEC. 3. This act is an urgency statute necessary for the
12 immediate preservation of the public peace, health, or safety within
13 the meaning of Article IV of the Constitution and shall go into
14 immediate effect. The facts constituting the necessity are:

15 In order to make the necessary statutory changes to increase
16 Medi-Cal payments to hospitals and improve access at the earliest
17 possible time, so as to allow this act to be operative as soon as
18 approval from the federal Centers for Medicare and Medicaid
19 Services is obtained by the State Department of Health Care
20 Services, it is necessary that this act take effect immediately.